

**From:** Chuck Cunningham  
**Sent:** Fri 4/20/2018 7:36:05 PM  
**Subject:** FW: Daily on Energy: Trump attacks OPEC ... Could he be pushing a new oil commission? ...  
For EPA, news about Pruitt's travel is 'not news'

FYI.

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**From:** Washington Examiner [<mailto:news@pub.washingtonexaminer.com>]  
**Sent:** Friday, April 20, 2018 2:44 PM  
**Subject:** Daily on Energy: Trump attacks OPEC ... Could he be pushing a new oil commission?  
... For EPA, news about Pruitt's travel is 'not news'

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**TRUMP ATTACKS OPEC FOR 'ARTIFICIALLY' RAISING OIL PRICES:**  
President Trump on Friday blamed OPEC for making crude oil prices "artificially

high” by cutting supply to drive up prices.

“Looks like OPEC is at it again,” Trump tweeted. “Oil prices are artificially Very High! No good and will not be accepted!”

Oil prices reached a three-year high of above \$69 per barrel this week. Prices quickly slumped after Trump’s comments, with West Texas Intermediate crude trading 0.6 percent lower at \$67.90 a barrel as of 8:28 a.m. in New York, according to Bloomberg.

**The butt of his anger:** Trump is likely referring to a January 2017 agreement between OPEC and non-OPEC nations such as Russia to drive up oil prices. The agreement is set to expire by the end of 2018, but Saudi Arabia and Russia have talked about extending it.

Oil officials from Saudi Arabia and Russia are meeting this weekend to discuss compliance with the supply cut agreement as well as the future of the deal.

**‘No such thing’:** Saudi Arabia’s energy minister Khalid al-Falih hit back at Trump, saying, “There is no such a thing as artificial prices.”

The Saudi energy minister said he is not worried that oil prices at near or above \$70 per barrel will reduce demand.

“I have not seen any impact on demand with current prices. We have seen prices significantly higher in the past, twice as much as where we are today,” he said, adding the world economy has the “capacity” to absorb higher prices.

**What’s behind the rise:** Energy experts have connected the recent price surge to geopolitical risks in oil-producing countries, including the possibility of renewed sanctions on Iran if Trump ends the nuclear deal with that country.

## **IS IT BLUSTER, OR IS TRUMP PUSHING NEW OPEC POLICY ROLLOUT?**

On the campaign trail, Rep. Kevin Cramer, R-N.D., advised candidate Trump on the need for a special OPEC commission.

At the time, Cramer was serving as adviser to Trump on energy policy. Being from one of the largest shale oil-producing states in the country, Cramer was particularly concerned with OPEC’s Saudi-led policy of trying to drive down oil prices. The effect was meant to hurt Saudi oil rivals, which at the time were Iran and the United States. The falling price of oil decimated U.S. production, leading to hundreds of thousands of layoffs in the shale fields.

**Fighting back:** Cramer's commission would monitor OPEC's market manipulation activities and recommend actions the U.S. government could take to counter them.

Cramer had introduced legislation to create the special commission, and energy policy groups had endorsed the idea.

**Executive order?** But it is not a stretch to think that Trump could skip Congress and create some version of the commission through an executive order.

**Calls to create commission:** A group formed from former generals and industry executives, Securing America's Future Energy, called for Trump to form the commission now.

"SAFE supports the formation of an OPEC commission that will investigate how the cartel's actions undermine American interests and propose solutions to counter their influence, while continuing to achieve energy dominance by both increasing domestic supply and negotiating a unified fuel economy standard that reduces our dependence," the group's president and CEO, Robbie Diamond, said Friday.

**Welcome to Daily on Energy**, compiled by Washington Examiner Energy and Environment Writers John Siciliano (@JohnDSiciliano) and Josh Siegel (@SiegelScribe). Email [dailyonenergy@washingtonexaminer.com](mailto:dailyonenergy@washingtonexaminer.com) for tips, suggestions, calendar items and anything else. If a friend sent this to you and you'd like to sign up, click here. If signing up doesn't work, shoot us an email and we'll add you to our list.

**NEWS ABOUT PRUITT'S TRAVEL IS SIMPLY 'NOT NEWS' AT ALL:** The Environmental Protection Agency's press office has been struggling to keep up with the daily media blitz targeting Administrator Scott Pruitt, but EPA spokesman Jahan Wilcox's quote from Thursday seemed to sum it up the best.

"This is not news," Wilcox began in responding to a Reuters story about the EPA spending \$45,000 to send a group of five to Australia.

The five-person team traveled to the country last year to prepare for Pruitt's visit there to meet with parliament and other officials. His trip was canceled by Hurricane Harvey.

**But what does 'no news' mean?** For the Trump EPA, "no news" means the Obama administration's EPA spent so much more on travel.

Using emailed screenshots of spreadsheets, an EPA official showed John that former EPA administrators Gina McCarthy and Lisa Jackson racked up a hefty sum of \$629,743 in travel and security costs for international trips between 2013-2016.

By comparison, Pruitt reached only \$160,000 in 2017 for travel and security related to his international travel, the official said.

**One hole closes, another springs a leak:** Just before the Reuters' news broke on Australia, the EPA's inspector general announced a new probe into Pruitt's use of a security detail on a family vacation to Disney Land and the Rose Bowl.

On top of that, Democrats have only begun to lay into Pruitt's travel expenses, condominium deals linked to energy lobbyists, and a \$43,000 secure phone booth. Resolutions introduced this week in the House and Senate demanded that Pruitt resign for losing the public trust.

And don't forget the White House. Budget director Mick Mulvaney is taking a particularly hard look at the phone booth.

**Two of the five Down Under:** Two of the advance team sent to Australia were Millan Hupp and Kevin Chmielewski, Wilcox pointed out in a more fleshed out statement provided to John. The other three were on Pruitt's security detail.

Hupp was one of the two Pruitt aides who received big pay raises after the White House said no.

The EPA inspector general said in a preliminary report issued Monday that the raises were granted by EPA chief of staff Ryan Jackson, not Pruitt himself.

Chmielewski was a political appointee who said he advised Pruitt against spending lavishly on security and first-class travel. He told lawmakers this month that he was fired because of his advice.

**Going before Congress?** Pruitt is slated to appear before the House Energy and Commerce Committee on April 26.

Democrats want to turn what was scheduled to be a normal budget hearing into something just short of a trial over Pruitt's lavish spending and other behaviors.

**But will Pruitt go to the hearing?** The EPA has yet to respond to the question.

**A TALL TALE OF AN ETHANOL STUDY:** A study floated by a group of anti-ethanol folks is raising the blood pressure of ethanol supporters a day after the study was issued.

**Mair strikes again:** Conservative PR maven Liz Mair had a little bit to do with that, circulating a Thursday blurb that John wrote in Daily on Energy Friday morning.

The item highlighted a study by Smarter Fuels that showed Iowa was using less ethanol than other parts of the country. Or, at least, less than one might assume from one of the largest producers of ethanol in the country.

**Pro-ethanol pushback:** Brooke Coleman, who is a member of Fuels America renewable fuels coalition, responded with outrage.

**Dealing with the ‘absurd’:** “This might be the most absurd narrative ever cooked up by the oil industry and Liz Mair, who has always been willing to hawk any bogus numbers the oil guys give her,” Coleman said in an email. “Iowa has the second-highest ethanol blending rate in the nation, according to the [latest federal data](#).”

One of the anti-ethanol study’s takeaways was that Iowa was blending well below 10 percent ethanol in its gasoline supply, which is referred to as the “blend wall,” or the limit at which ethanol can be blended in gasoline.

“In fairness, with the majority of states surging well-past 10 percent, they are all starting to look like Iowa these days,” Coleman said.

**ENERGY DEPARTMENT WON’T CONSIDER FIRSTENERGY’S FINANCIAL WOES FOR DECISION ON COAL, NUCLEAR PLANTS:** A top Energy Department official [said Thursday](#) that his agency will not consider the bankruptcy filing of a Ohio utility when deciding whether to grant the company's request to invoke a little-used emergency power to save coal and nuclear plants across the Midwest.

**Dire state:** The Energy Department is expected soon to decide whether to grant FirstEnergy’s petition for an emergency order under section 202(c) of the Federal Power Act to keep alive its ailing coal and nuclear plants.

The measure is not meant to be used for economic reasons, but rather for emergency circumstances that include war, energy shortages, or sudden surges in demand.

**Grid comes first:** “We are going to approach this as a public policy matter, not as an economic emergency matter for one or two companies. We are going to look at this from the point of view of the grid, its reliability, its resiliency. The decisions we make are going to be on that basis,” Dan Brouillette, the Energy Department's deputy administrator, said at Columbia University's Global Energy Summit.

**ENERGY EXPERTS CRITICIZE TRUMP’S LATEST COAL RESCUE PLAN:** The comments from Brouillette come after [Bloomberg reported Thursday](#) that the Trump administration is considering using a 68-year-old Cold War-era law as an alternative to granting FirstEnergy's emergency request.

The Defense Production Act effectively allows the president to nationalize private industry to ensure the U.S. has resources needed during a war or after a disaster.

**Pressure from coal country:** Sen. Joe Manchin, a Democrat from the coal state of West Virginia, urged Trump to use the statute in a letter Wednesday.

**‘Gross abuse’:** Energy experts say doing that would stretch the law beyond what it's meant for, just like the FirstEnergy emergency request, because there is no imminent national security threat from coal and nuclear plants closing.

"It would be a gross abuse of the law to use the Defense Production Act to bail out failing power plants," Josiah Neeley, the energy policy director of the R Street Institute, a free-market think tank, told Josh. "Each of these proposals to save failing coal and nuclear plants seems more far-fetched than the last."

**‘Ridiculous’:** Michael McKenna, a lobbyist who led Trump’s Energy Department transition team, was even more blunt.

"I think it is ridiculous," he wrote in an email. "if we think coal has value that is not being properly accounted for, let's figure that out and find a way to account for it. This is using a cleaver in lieu of a scalpel."

**DEMOCRATS INTRODUCE BILL TO PROTECT OFFSHORE OIL DRILLING RULES ON ANNIVERSARY OF BP SPILL:** Sens. Maria Cantwell of Washington, the top Democrat on the Senate Energy and Natural Resources Committee, Bill Nelson, D-Fla., and other Democrats introduced legislation Thursday to codify two offshore drilling safety rules created after the 2010 BP oil spill.

Friday is the eighth anniversary of the the Deepwater Horizon disaster, which killed 11 workers in the Gulf of Mexico.

**Can't undo a law:** The legislation would turn into law the "Blowout Preventer Systems and Well Control Rule" and the "Arctic Drilling Rule," both of which were implemented under the Obama administration in 2016.

The move to make the regulations law comes as the Trump administration seeks to roll back some of the safety rules.

"We can't allow the Department of Interior to take us backwards in time and expose our beautiful beaches and our tourism-based local economies, as well as our military, to another Deepwater Horizon-type catastrophe," Nelson said on the Senate floor Thursday.

**Trump seeks changes:** Among the proposed changes, the Trump administration would eliminate a provision requiring third-party inspectors of certain safety equipment — such as a blowout preventer device — be certified by the Interior Department's Bureau of Safety and Environmental Enforcement, which regulates offshore oil and natural gas drilling.

**What caused the spill:** The blowout preventer device broke at the bottom of the sea in the Deepwater Horizon incident, spewing almost 4 million barrels of crude oil into the Gulf of Mexico.

**TRUMP'S NASA NOMINEE CONFIRMED BY SENATE:** Trump's nominee to lead NASA was narrowly confirmed by the Senate Thursday, one day after he was almost rejected in a procedural vote.

Former Rep. Jim Bridenstine is NASA's new administrator following a 50-49 vote in the Senate. He survived weeks of delay and uncertainty when the Senate's 51 Republicans weren't united around him.

**Political, climate concerns:** Sens. Marco Rubio, R-Fla., and Bill Nelson, D-Fla., were initially both opposed to Bridenstine, and argued that putting a former lawmaker in charge of NASA might politicize the space agency. Rubio ended up voting for Bridenstine, saying it is proper to give the president deference with nominees.

Democrats, who all voted against Bridenstine, criticized him for being dismissive of climate change science.

NASA is one of the top agencies for studying the climate.

**MAJOR BANK STOPS FINANCING COAL PLANT PROJECTS:** HSBC, one of the world's largest banks, announced Friday it won't finance construction of new coal plants, as it seeks to help limit carbon dioxide emissions that contribute to climate change.

**Balancing act:** "We recognize the need to reduce emissions rapidly to achieve the target set in the 2015 Paris Agreement to limit global temperature rises to well below 2 degrees Celsius and our responsibility to support the communities in which we operate," said Daniel Klier, the bank's global head of strategy and sustainable finance.

The bank will make exceptions for low-income countries Bangladesh, Indonesia and Vietnam to "balance local humanitarian needs with the need to transition to a low carbon economy."

The bank also will no longer support new oil and gas projects in the Arctic and new Canadian oil sands projects.

The phaseout will be complete by December 2019, the bank said.

**REPUBLICANS URGE PRUITT TO NOT REPEAL TRUCK EMISSIONS STANDARDS:** Four Republican senators and 10 GOP House lawmakers signed letters to Pruitt Thursday urging him not to move ahead to allow "super polluting" trucks.

Republicans on the letters include Sens. Richard Burr and Thom Tillis of North Carolina, and Todd Young of Indiana, Reps. Tom Emmer of Minnesota, David McKinley of West Virginia, and more.

“Changing decades of consistent regulation erodes the bipartisan progress made under previous administrations and removes the regulatory certainty provided to the industry which has produced the next generation of cleaner, more efficient vehicles,” the senators wrote in their letter.

**Truck twist:** Pruitt announced in August that he would re-examine the Obama-era rule eliminating the exemption for glider trucks “in light of the significant issues raised” and review whether it’s permitted under the agency’s Clean Air Act authority.

**What’s in a rule:** The Obama administration rule, which has been embraced by the trucking industry, applies emissions standards now used for heavy-duty trucks to new truck components called gliders and trailers.

**WHEELER SWORN IN AS EPA DEPUTY ADMINISTRATOR:** Andrew Wheeler was sworn in Friday morning as deputy administrator of the EPA, a little over a week after he was confirmed by the Senate.

“Glad to give a warm welcome to Andy Wheeler this morning — officially sworn in as EPA’s Deputy Administrator,” Pruitt tweeted Friday. “We look forward to working together to advance @POTUS agenda of regulatory certainty & environmental stewardship.”

Wheeler is an energy lobbyist and former Senate Environment and Public Works Committee staffer who supporters say will bring discipline, rigor and understatement to Pruitt’s much-publicized deregulatory agenda to weaken and rewrite rules to combat climate change.

**EPA CHECKING IF ALL OF PRUITT’S EMAIL ACCOUNTS WERE INCLUDED IN FOIA RESPONSES:** The EPA is reviewing all of its Freedom of Information Act responses under Administrator Scott Pruitt to ensure that they included all four of Pruitt’s email accounts.

**Fine details:** Steven Fine, the EPA’s deputy chief information officer, told Senate Environment and Public Works Committee Chairman John Barrasso, R-Wyo., in a letter released Thursday that the agency’s long-held policy is to search all emails, secondary or otherwise, in responding to FOIA and congressional requests.

Nevertheless, Fine said the agency will conduct a review of all searches made in response to FOIA requests as long as Pruitt has been head of the agency.

**TOP STATE GROUP APPOINTS NEW GRID SECURITY GURU:** The National Association of Regulatory Utility Commissioners announced it is appointing Pennsylvania Public Utility Commission Chairwoman Gladys Brown to lead its committee on infrastructure protection.



**Top trade group for states:** NARUC is considered one of the top trade groups linking state energy regulators to the Washington policy discussion. It is a voice for the states on energy.

Brown's committee "provides state regulators a forum to analyze solutions to utility infrastructure security and delivery concerns," said NARUC. "Because protection of the nation's energy and telecommunications infrastructure is critical to national security, this committee gives state regulators opportunities to share best practices and collaborate, often with federal counterparts."

**Keystone chairwoman:** Brown has served as chairwoman of the Keystone State's energy regulator since 2015. She was confirmed for another term recently and will continue on the Public Utility Commission until April 1, 2023.

## RUNDOWN

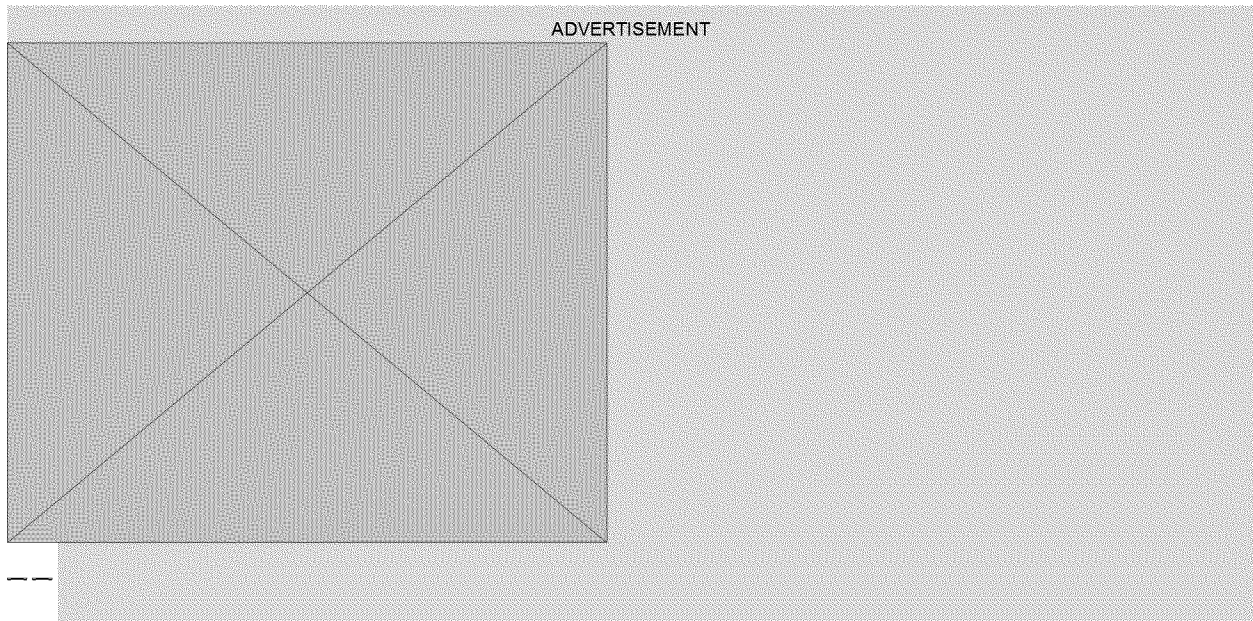
Reuters America's nuclear headache: old plutonium with nowhere to go

New York Times Power is back in Puerto Rico, but frustration remains

Wall Street Journal Climate fears reshape Miami's housing market

Bloomberg Australia edges to new energy policy after decade of turmoil

Politico Interior rejected staff advice when scuttling tribes' casino, documents suggest



# Calendar

## FRIDAY, APRIL 20

9 a.m., Teleconference. Environmental Protection Agency holds a meeting by teleconference of the Chartered Clean Air Scientific Advisory Committee and the CASAC Sulfur Oxides Panel.

[Epa.gov](http://Epa.gov)

9 a.m., 550 C St. SW. Environmental Protection Agency holds a meeting of the Children's Health Protection Advisory Committee on science, regulations and other issues relating to children's environmental health.

[epa.gov](http://epa.gov)

1:30 p.m., 1210 North Front St., Coos Bay, Ore. House Transportation and Infrastructure Committee Water Resources and Environment Subcommittee field roundtable on "America's Water Resources Infrastructure: Concepts for the Next Water Resources Development Act, Part II."

[Transportation.house.gov](http://Transportation.house.gov)

Deepwater Horizon eight-year anniversary of the largest oil spill in Gulf.

[doi.gov/deepwaterhorizon](http://doi.gov/deepwaterhorizon)

## SUNDAY, APRIL 22

Earth Day. EPA is counting down [here](#).

## TUESDAY, APRIL 24

10 a.m., 366 Dirksen. The Senate Energy and Natural Resources Committee holds a hearing on the U.S. Forest Service's budget proposal for fiscal 2019.

[energy.senate.gov/public/index.cfm/hearings-and-business-meetings?ID=B8348D55-C658-4063-A11E-3FD5A80D4797](http://energy.senate.gov/public/index.cfm/hearings-and-business-meetings?ID=B8348D55-C658-4063-A11E-3FD5A80D4797)

Noon, Conference call. The Federalist Society's Regulatory Transparency Project will host a teleforum conference call on EPA secret science featuring Daren Bakst of the the Heritage Foundation and Richard Belzer of R Street Institute.

[CRCPublicRelations.com](http://CRCPublicRelations.com)

## WEDNESDAY, APRIL 25

10 a.m., 253 Russell. Senate Commerce, Science and Transportation Committee hearing on "Enhancing the Marine Mammal Protection Act."

[Commerce.senate.gov](https://commerce.senate.gov)

2 p.m., 430 Dirksen. Senate Appropriations Committee Energy and Water Development Subcommittee hearing on proposed budget estimates and justification for FY2019 for the Nuclear Regulatory Commission.

[appropriations.senate.gov](https://appropriations.senate.gov)

2 p.m., 1324 Longworth. House Natural Resources Committee hearing on "The Weaponization of the National Environmental Policy Act and the Implications of Environmental Lawfare."

[naturalresources.house.gov/](https://naturalresources.house.gov/)

## THURSDAY, APRIL 26

2 p.m., 2007 Rayburn. House Appropriations Committee Interior, Environment, and Related Agencies Subcommittee hearing on the EPA's fiscal 2019 budget. EPA Administrator Scott Pruitt and Holly Greaves, CFO of the Environmental Protection Agency, testify.

[appropriations.house.gov](https://appropriations.house.gov)

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